

Highlights

Department of Health Services

Arnold Schwarzenegger Governor State of California

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DEPARTMENT OF HEALTH SERVICES PROGRAM OVERVIEW

The mission of the Department of Health Services (DHS) is to protect and improve the health of all Californians.

The Public and Environmental Health programs administered by DHS provide services addressing the prevention and control of chronic diseases including various cancers, cardiovascular diseases, diabetes, and other conditions; the investigation, prevention and control of infectious disease; the prevention and control of environmental and occupational diseases; the prevention and control of injuries; the assessment, prevention, and interruption of the transmission of HIV and provide for the needs of HIV-infected Californians. In addition, the programs provide financial support and professional consultation and assistance to local health systems; protect the public from consuming unsafe drinking water; regulate the generation, handling, and disposal of medical waste; oversee the disposal of low-level radioactive wastes; and protect and manage food, drug, medical device and radiation sources.

The Health Care Services Programs provide services to ensure low-income Californians have access to appropriate health care. Medi-Cal provides health care services to qualified persons and families, including low-income families, the aged, blind and disabled, children in families with low-incomes or in foster care, pregnant women, and low income people with specific diseases. Licensing and Certification regulates the quality of care in public and private health facilities, clinics and agencies, and licenses Certified Nurse Assistants, Home Health Aides, and other direct care staff. The Laboratory Science Division licenses and inspects laboratory facilities and licenses laboratory personnel. County Health Services disburses and monitors funds to counties for hospital, physician, and related health services. Primary Care and Family Health administers programs that ensure access to comprehensive and coordinated family-centered, community-based, preventive and primary care services to low-income women, infants, children, and families.

GENERAL BUDGET OVERVIEW

DHS' budget supports activities and services that reinforce the State's commitment to protecting and improving the health of all Californians. For fiscal year (FY) 2005-06, the Governor's Budget provides a total of \$37.6 billion for the support of DHS programs and services including the proposed redesign of Medi-Cal, the prescription drug discount program, known as California Rx (Cal Rx), and the launching of an Obesity Prevention and Physical Activity Initiative. Of the amount proposed, \$987.3 million is for state operations and \$36.6 billion is for local assistance. General Fund increased to \$13.6 billion from \$12.6 billion, a 7.9% increase. Federal funds decreased to \$21.0 billion from \$21.4 billion. Special funds, including reimbursements, decreased from \$3.2 billion to \$2.9 billion.

The proposed budget affirms the Department's commitment to address the health care needs of Californians. It does this through responsible proposals that continue to address the needs of the most vulnerable populations.

Some of the DHS programs serving Californians are anticipating the following caseloads for 2005/06:

- Medi-Cal: 6,809,800 average monthly eligible people served
- California Children's Services: 35,580 average monthly eligible people served
- Genetically Handicapped Persons Program: 1,308 average monthly people served
- Child Health Disability Prevention Program: 3,317 average monthly health screens
- AIDS Drug Assistance Program: 30,446 estimated clients
- Every Woman Counts: approximately 235,000 breast cancer screens

DHS Budget by Fund Source *

Fund Source	2003-2004 Actual	2004-2005 Estimated	2005-2006 Proposed
General Fund	\$ 10,525,407	\$ 12,631,405	\$ 13,651,257
Federal Funds	\$ 17,580,114	\$ 21,417,896	\$ 20,980,414
Special Funds & Reimbursements	\$ 2,633,614	\$ 3,225,318	\$ 2,923,623
Total Funds	\$ 30,739,135	\$ 37,274,619	\$ 37,555,294

^{*}Dollars in thousands

State Operations

Expenditures for state operations (SO) increased by \$10.5 million, to \$987.3 million from \$976.8 million. The General Fund is budgeted at \$264.2 million, an increase of \$3.6 million over current year, and represents 26.8% of DHS' state operations expenditures. Federal funds are budgeted at \$472.3 million, an increase of \$7.5 million over current year, and represents 47.8% of DHS' state operations expenditures. Special funds, including reimbursements, decreased by \$.5 million from \$251.3 million to \$250.8 million, and represents 25.4% of total state operations expenditures.

State Operations by Program *

Program	2	2003-2004 Actual	2004-2005 Estimated	2005-2006 Proposed
Public & Environmental Health (10)	\$	279,993	\$ 343,716	\$ 324,718
Medical Care Services (20.10)	\$	255,454	\$ 344,971	\$ 375,331
Licensing & Certification (20.20)	\$	103,446	\$ 122,025	\$ 124,785
County Health Services (20.30)	\$	5,036	\$ 7,087	\$ 6,785
Primary Care & Family Health (20.40)	\$	133,900	\$ 157,439	\$ 164,558
Department Administration (30)	\$	1,669	\$ 3,544	\$ 2,423
Unallocated Reduction (97)			\$ -1,976	\$ -11,259
Total State Operations	\$	779,498	\$ 976,806	\$ 987,341

^{*}Dollars in thousands



State Operations by Fund Source *

Fund Source	2	2003-2004 Actual	_	004-2005 stimated	005-2006 Proposed
General Fund	\$	230,224	\$	260,654	\$ 264,213
Federal Funds	\$	344,314	\$	464,819	\$ 472,307
Special Funds & Reimbursements	\$	204,960	\$	251,333	\$ 250,821
Total State Operations	\$	779,498	\$	976,806	\$ 987,341

^{*}Dollars in thousands

Local Assistance

The local assistance (LA) budget of \$36.6 billion accounts for 97.4% of DHS' total estimated expenditures for FY 2005-06. Local assistance expenditures have increased by \$.3 billion from the revised current year of \$36.3 billion. Funding for local assistance includes an increase of \$1.0 billion in General Fund (explanation provided in the Medi-Cal Local Assistance section on page 10), a decrease in federal funds of \$0.4 billion and a decrease in special funds and reimbursements of \$0.3 billion.

Local Assistance by Program*

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Program		2003-04 2004-05 Actual Estimated		2004-05 Estimated	2005-06 Proposed	
Public & Environmental Health (10)	\$	740,973	\$	862,717	\$	887,587
Medical Care Services (20.10)	\$	27,702,503**	\$	33,848,236	\$	34,067,010
County Health Services (20.30)	\$	53,139	\$	52,867	\$	52,867
Primary Care & Family Health (20.40)	\$	1,463,018	\$	1,533,989	\$	1,556,728
State Mandates	\$	4	\$	4	\$	3,761
Total Local Assistance	\$	29,959,637	\$	36,297,813	\$	36,567,953

^{*}Dollars in thousands

Local Assistance by Fund Source*

Fund Source	2003-04 Actual	2004-05 Estimated	2005-06 Proposed
General Fund	\$ 10,295,183	\$ 12,370,751	\$ 13,387,044
Federal Fund	\$ 17,235,800**	\$ 20,953,077	\$ 20,508,107
Special Funds & Reimbursements	\$ 2,428,654	\$ 2,973,985	\$ 2,672,802
Total Local Assistance	\$ 29,959,637	\$ 36,297,813	\$ 36,567,953

^{*}Dollars in thousands

^{**} Medi-Cal General Fund expenditures were reduced due to the one-time shift to cash accounting and a one-time increase in the federal matching rates for Medicaid programs.



^{** 2003/04} expenditures were reduced this year as Medi-Cal was transitioned from accrual to cash accounting, resulting in a one-time reduction.

BUDGET INITIATIVES

MEDI-CAL REDESIGN INITIATIVE

Governor Schwarzenegger is proposing to redesign Medi-Cal in order to advance the twin imperatives of maintaining health care coverage to eligible Californians while containing costs and maximizing operating efficiencies.

While Medi-Cal is one of the most cost-effective programs of its kind in the nation, its future is threatened by spiraling costs. In the past five years, Medi-Cal costs have grown by 50 percent since 1998/99 or approximately \$3 billion dollars, primarily due to program expansions and reforms that have added 1.2 million new beneficiaries; and increases in the cost of health care. In addition, demographic trends and medical advances that allow Californians to live longer will increase the number of people with high cost medical needs. Further, Medi-Cal provides a wide range of benefits, far beyond those of other states and employer-based programs. Medi-Cal's growth, if left unchecked, threatens the State's ability to fund other critical State programs. The following are the initiatives that comprise the Medi-Cal Redesign with the Local Assistance impacts identified in Attachment A.

Medi-Cal Redesign – Improving Access to Care and Health Outcomes Through Managed Care Expansion

47.5 Positions \$7,569,000 SO 45.1 PYs

The Governor's Budget allows for the expanded use of managed care into thirteen counties that are currently fee-for-service counties. This will require more Medi-Cal beneficiaries to obtain their care through managed care organizations with the goal of improving access to providers, producing better health outcomes and reducing state costs in the operation of the Medi-Cal program. In addition, managed care provides enhancements to beneficiaries not available in the Fee for Service (FFS) system, such as assured and timely access to physician and other providers; coordination of care and case management services; as well as other quality improvement features that allows health plan accountability for care to be established and monitored.

\$3,262,000 General Fund \$4,307,000 Federal Trust Fund

Medi-Cal Redesign - Modify the Medi-Cal Dental Benefit Package

1.5 Positions 1.4 PYs \$165,000 SO

The budget includes Medi-Cal Redesign efforts for Dental Services to align the Medi-Cal dental benefit with that of employer-based dental services. This redesign would limit or cap dental services to all adults up to \$1,000 per year. The benefit realignment allows for the preservation of the dental program without eliminating medically necessary services or reducing provider reimbursement. Cost savings resulting from

the proposed cap on dental services are estimated at approximately \$54.8 million (\$27.4 million GF) annually, with on-going local assistance costs of approximately \$4.0 million (\$2.0 million GF).

\$59,000 General Fund \$106.000 Federal Trust Fund

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Medi-Cal Redesign - Beneficiary Cost Sharing

3.5 Positions 3.3 PYs

\$2,282,000 SO

The proposed budget includes resources to align Medi-Cal's cost sharing structure and benefits package with that of employer-based private sector healthcare coverage and the Healthy Families Program. DHS proposes to implement monthly premiums in Medi-Cal for families with income above 100% of federal poverty level (\$27.930 for individuals and \$56,550 for family of four) and aged, blind and disabled within income above SSI/SSP levels using the Healthy Families Program premium schedule and practices as the model. Premiums are regularly scheduled payments a beneficiary makes in order to remain eligible for benefits. This will align Medi-Cal more closely with other insurance programs requiring financial participation, and increase the equity among the current insurance options for low-income individuals.

650,000 General Fund \$1.632.000 Federal Trust Fund

Medi-Cal Redesign – Easing Enrollment for Children

19.5 Positions 18.5 PYs

\$6,909,000 SO

The proposed budget will improve the Medi-Cal eligibility determination process for children that apply through the Single Point of Entry (SPE) application. The SPE would become a centralized, one-stop center to make preliminary eligibility determinations for Medi-Cal applications submitted through SPE. Final eligibility determination for children-only Medi-Cal applications would shift from the counties to the State. Prior to this, applications were received and screened by SPE; they were then forwarded to the Healthy Families Program, or one of the 58 county Medi-Cal offices for a final eligibility determination.

\$2,172,000 General Fund \$4,737,000 Federal Trust Fund

Medi-Cal Redesign - County Performance Standards Monitoring

2.5 Positions 2.4 PYs

\$995,000 SO

The Governor's Budget provides resources for county performance standard

verification, contract monitoring staff, and follow-up services to monitor counties and impose sanctions for not meeting performance standards. Currently, counties submit reports to DHS annually to certify if they met all of the performance standards. There is no verification of the self-reported certifications from the counties.

Counties are required by federal and State law to complete initial eligibility determinations within 45 days of application and complete annual re-determinations to determine if the applicant continues to be eligible. Currently some counties are not completing the initial Medi-Cal eligibility determinations within the 45-day requirement or the annual re-determination. Effective July 1, 2003, the State adopted statutory

performance standards for completion of these determinations. Failure to comply with the performance standards could result in a 2% reduction in the county administration funding.

\$312.000 General Fund \$683,000 Federal Trust Fund

Medi-Cal Redesign – Stabilizing the Financing of California's Safety Net Hospitals 12.0 Positions \$1,490,000 SO 11.4 PYs

The budget allows for the development of the hospital financing redesign (HFR) waiver that is necessary because the federal government has indicated that the renewal of the existing waiver, set to expire on June 30, 2005, will not be renewed in its current form. Failure to act will reduce federal reimbursement to safety net hospitals, up to \$450 million per year.

Under DHS' proposal, a completely new reimbursement system for 21 of the 230 hospitals will be created. These 21 hospitals are public hospitals with large Medi-Cal and uncompensated costs. Creating this new reimbursement system will be completely new workload that has never been performed by DHS staff.

\$686,000 General Fund \$804,000 Federal Fund

CALIFORNIA RX INITIATIVE

Establish the California Rx Program 18.50 Positions

13.7 PYs

\$1,939,000 SO \$2,000,000 LA

The Governor's Budget provides resources to implement California Rx (Cal Rx), a prescription drug discount program that will provide nearly 5 million uninsured residents with discounts in excess of 40 percent off retail prescription drugs. Cal Rx enrollees with incomes up to 300 percent of the federal poverty level (\$27,930 for individuals and \$56,550 for family of four) are eligible. Age is not a consideration for qualification for Cal Rx, and enrollment in the program will occur through a pharmacy, physician office or the Internet. The combination of pharmacy and manufacturer discounts will provide eligible consumers an average savings of at least 40 percent off retail prescription drug prices. Drug manufacturers will provide a minimum discount of the lowest price paid by a commercial purchaser in California; additional discounts from manufacturers will be negotiated to maximize benefits for Cal Rx participants.

Unlike drugs purchased through Canadian Websites, Cal Rx will provide convenient access to medicines that are legal and meet U.S. standards. Cal Rx will offer one-stop shopping to link consumers to existing manufacturer programs and Cal Rx discounted drugs. The Governor has secured a commitment from the Pharmaceutical Researchers and Manufacturers Association (PhRMA) to provide \$10 million over the next two fiscal years to create and publicize a Web-based clearinghouse to help Californians enroll in manufacturers' free and discount drug programs. Building on the clearinghouse function, Cal Rx will provide an easy to use single point of entry to direct consumers to the best prices for their prescription, whether through companies free programs or the Cal Rx negotiated discount.



OBESITY PREVENTION AND PHYSICAL ACTIVITY INITIATIVE

California Moving - To a Better State of Health

2.0 Positions
1.9 PYs

\$2,984,000 SO \$3.050.000 LA

The Governor's Budget provides resources needed to implement a centralized and coordinated obesity prevention and physical activity initiative. The initiative engages public and private partnerships; works with providers to improve the quality of California's health care; creates communities that promote healthy lifestyles; and evaluates how effectively these efforts help reverse the obesity epidemic that affects over 20 million Californians and costs the state at least \$28 Billion every year.

California has gained about 360 million pounds of excess weight in just the past decade alone. California's low-income children (one to five years-old) are more overweight than the national average. We have engineered almost all the incidental and purposeful physical activity out of our daily lives. There are too many neighborhoods where one can't even shop for fresh fruits and vegetables. These and other social, economic, policy and environmental forces push us into overweight, obesity and the fatal diseases that result – diabetes, high blood pressure, and heart disease, just to name three. It is time to develop the ways in which we are going to combat these forces and make it possible for all Californians, especially our children, to lead active, healthy lives. \$6.034.000 General Fund

MAXIMIZING FEDERAL FINANCIAL PARTICIPATION AND PROPOSITION 99

Proposition 99

\$1,100,000 SO \$12,834,000 LA

The Governor's Budget proposes to maximize federal funding for pre-natal services for low-income women. This proposal will generate \$242 million in additional federal funds, allowing for the maintenance or increase of other important General Fund health programs. State savings resulting from federal financial participation in children's programs make it possible for California to maintain important health programs in spite of continuing declines in Tobacco Tax and Health Protection Act (Proposition 99) revenues and General Fund pressures.

The Governor's Budget proposal to maximize federal funds makes Proposition 99 funding available to maintain, and in some cases increase funding for important health programs and services. Specifically, the Governor's Budget:

 Increases funding for the Breast Cancer Early Detection Program – Every Woman Counts (\$8.9 million 2004-05 and \$12.8 million 2005-06). The proposal makes it possible for California to serve a growing caseload in this program.



 Maintains funding for the Expanded Access to Primary Care Program (EAPC) at the 2004-05 levels while generating \$10 million in General Fund savings.

- Maintains funding for the California Healthcare for Indigents (CHIP) and Rural Health Services (RHS) at the current level.
- Maintains funding for tobacco education, prevention and research programs.
- Provides Proposition 99 support to the Medi-Cal Recent Immigrants Program.
 (\$54.4 million in the current year and \$32.8 million in the budget year- Amounts are reflected in the Medi-Cal Estimate.)

\$1,100,000 Health Education Account \$22,834,000 Unallocated Account \$-10,000,000 General Fund

BUDGET ADJUSTMENTS

The 2005-06 Governor's Budget includes resources identified in the following DHS budget change proposals:

MEDICAL CARE SERVICES

Extend Limited Term Positions for the Care Facilities for Persons with Developmental Disabilities Pilot Program

4.0 Positions (Limited Term for Two Years) 3.8 PYs

\$196,000 SO

The Governor's Budget extends current resources through December 31, 2007, to implement the mandates of Assembly Bill (AB) 359 (Chapter 845, Statutes of 1999) requiring DHS to establish a waiver pilot program under Section 1915(b) of the Social Security Act. AB 359 allows DHS to explore more flexible models of health care facility licensure to provide continuous skilled nursing care to medically fragile, developmentally disabled individuals in the least restrictive setting.

\$76,000 General Fund \$120,000 Federal Trust Fund

Increase Disproportionate Share Hospital Program Oversight

4.0 Positions (Limited Term for Two Years) 3.8 PYs

\$387,000 SO

The Governor's Budget addresses the increase in workload in the programs created by Senate Bill (SB) 1732 and SB 855. There has been considerable growth in both of these programs with no augmentation of staff to address the workload. The SB 1732 Program is a Construction/Renovation Reimbursement Program designed to assist hospitals that serve a disproportionate share of the Medicaid and uninsured population, in renovating, replacing, or retrofitting facilities, in order to better serve the community. SB 855 is a special Medicaid reimbursement program aimed at making up the funding shortfall for

safety-net hospitals that serve a larger than usual portion of California's poor, under-insured, and medically indigent populations.

\$99,000 General Fund \$193,000 Federal Trust Fund \$95,000 Medical Inpatient Fund

Increase Federal Funds for the Medi-Cal Administrative Activities (MAA) and Targeted Case Management (TCM) Programs

10.0 Positions \$938,000 SO 9.5 PYs

The Governor's Budget provides resources to address the increase in workload within the Medi-Cal Administrative Activities (MAA) and the auditing requirements in the Targeted Case Management (TCM) program. The funding is through the Local Governmental Agencies (LGA) reimbursement contract and matched with federal funds – no general funds are required. Local governmental agencies (LGA's) and counties contract with DHS for reimbursement of federal funds for the costs of providing services for which federal funds are available. These contracts finance local outreach; facilitating Medi-Cal applications; Medi-Cal non-emergency, non-medical transportation; contracting for Medi-Cal services; program planning and policy development; MAA coordination and claims administration; MAA implementation training; and TCM. \$469,000 Federal Trust Fund \$469,000 Reimbursements

Implement County Performance Standards for the Medi-Cal/Healthy Families Bridging Program

3.0 Positions \$297,000 SO 2 8 PYs

The proposed budget establishes, in statute, county performance standards for carrying out the Bridging Program process, and provides authority to contract for verification and follow-up services to monitor the Bridging Program performance standards. The Bridging Program provides for children under the age of 19 that lose no-cost Medi-Cal coverage due to changes in family circumstances, and who are eligible for the Healthy Families Program (HFP), to allow time for the children to be enrolled in the HFP program without a break in coverage.

\$148,000 General Fund \$149,000 Federal Trust Fund

Local Assistance Impact:

Medi-Cal/Health Families Bridge Performance Standards (Policy Change 7): Ensures that all children that are discontinued from Medi-Cal due to increases in family income have the opportunity to apply for Healthy Families. Trailer bill language specifying county performance standards for the Medi-Cal/Healthy Families One-Month Bridge program is being proposed. The number of children eligible for the program is expected to increase by 22,500 in 2005-06 for a benefit cost of \$.5 million GF.

Increase Medi-Cal Medical Third Party Liability Recoveries

80.5 Positions \$6,304,000 SO 76.5 PYs



The budget includes a revision of state laws, augmentation of state staff, and replacement of the Third Party Liability Branch (TPLB) Recovery program's Automated Collection Management System to significantly increase collections in Estate Recovery and Personal Injury Units. The support staff

for the TPLB Health Insurance programs and contracts for other health coverage (OHC) identification will significantly increase cost avoidance and program savings through increased private health insurance carrier billings, increased enrollment in the Health Insurance Premium Payment Program, and timelier identification of OHC.

\$1,907,000 General Fund

\$4,397,000 Federal Trust Fund

Local Assistance Impact:

New Recovery Activities (Policy Change 93): The Governor's Budget proposes to increase DHS' Medi-Cal insurance and recovery programs. This includes modifying the asset recovery regulations; recovering personal injury expenses for persons in managed care; enhancing estate recovery and personal injury collections; enrolling more persons in the Health Insurance Premium Payment Program, increasing other health coverage identification and collections, including development of other health coverage electronic data matches. Staff will be hired in 2005-06 and first year savings are expected to be \$21.5 million GF.

MEDI-CAL LOCAL ASSISTANCE

The Medi-Cal General Fund (GF) costs in FY 2005-06 are expected to increase by \$981.7 million from the FY 2004-05 budget of \$11.965 billion to \$12.946 billion. The increase in expenditures is attributed to proposals as previously discussed and changes listed in Attachment B.

PREVENTION SERVICES

AIDS Drug Assistance Program

2.0 Positions 1.9 PYs \$230,000 SO \$56,191,000 LA

The budget includes an augmentation for the AIDS Drug Assistance Program (ADAP) to ensure the continuation of ADAP services to eligible Californians living with HIV disease. The increased ADAP need continues to be the result of three main factors: 1) steadily increasing drug prices; 2) increased access to those drugs by ADAP clients; and 3) an increasing client caseload.

The budget also provides support positions and associated funding in order to successfully negotiate additional manufacturer rebates beyond that which is federally required as mandated by the FY 2002-03 Budget Act. No staff positions were provided to meet this requirement in the 2002-03 Budget Act.

\$24,630,000 General Fund

\$31,791,000 AIDS Drug Assistance Program Rebate Fund



\$125,000 SO

The proposed budget provides the resources to meet the mandates of SB1654 (Chapter 812, Statutes of 2003) requiring the DHS, a participating member of the California Bay-Delta Program, to develop a water quality program. No resources were provided through SB 1654. The requirements of SB 1654 are allowable under Chapter 4 of Proposition 50, which is consistent with the Proposition 50 objectives to improve Bay-Delta water quality.

\$125,000 Water Security, Clean Drinking Water, Coastal and Beach Protection Fund

Continuation of Federally Funded Bioterrorism Efforts

94.8 Positions (Limited Term for Two Years) 90.1 PYs

\$8,208,000 SO

The Governor's Budget includes federal expenditure authority for the Emergency Preparedness Office to continue the implementation of the cooperative agreements with the Centers for Disease Control and Prevention (CDC) and the Health Resources and Services Administration (HRSA) for activities relating to bioterrorism preparedness and response. The budget also proposes to extend the limited term positions and associated support funding currently authorized for these activities that expire on June 30, 2005.

\$8,208,000 Federal Trust Fund

Cannery Inspection Program

Assembly Bill 3027, Chapter 314, Statutes of 2004, created the Cannery Inspection Fund to collect fees charged to canneries for the regulatory oversight activities of the Cannery Inspection Program (CIP). The CIP licenses and inspects canneries, as well as enforces all laws and regulations related to canneries. The CIP has nine positions currently funded through reimbursement. The CIP and the positions will be fully supported by the fees in the Cannery Inspection Fund beginning July 1, 2005.

-\$1,553,000 Reimbursements

\$1,553,000 Cannery Inspection Fund

HEALTH INFORMATION AND STRATEGIC PLANNING

Electronic Death Registration System Training and Education

\$225,000 SO

The Governor's Budget includes base expenditure authority for training that is necessary to deploy the Electronic Death Registration System (EDRS) at the local level, and to train system users to ensure the successful integration of EDRS into local registration/business processes. Fee revenue in support of the proposal will be deposited into the Health Statistics Special Fund (HSSF) pursuant to Health and Safety (H&S) Code Section 103692.

\$225,000 Health Statistics Special Fund

PRIMARY CARE & FAMILY HEALTH

Newborn Screening Program

3.0 Positions 2.8 PYs

\$15,016,000 SO

The proposed budget implements a statewide expansion of the Newborn Screening Program (NBS) from 39 conditions to 76 conditions by adding tandem mass spectrometry (MS/MS) and three conditions related to Congenital Adrenal Hyperplasia (CAH). This expansion is mandated by SB 1103 (Chapter 228, Statutes 2004).

The NBS Program screens over half a million newborns a year in 325 maternity hospitals, using a unique public-private partnership that obtains laboratory services by competitive bids from eight private laboratories, and contracts with private institutions to conduct follow-up activities. A blood specimen is collected on special filter paper forms from each newborn at the hospital of birth and mailed to a designated regional contract laboratory. Identifying information and results of laboratory analysis are electronically provided to the Genetic Disease Branch (GDB).

The expansion of tests to be conducted under the NBS requires additional state staff resources. It will also provide increased detection of metabolic conditions in newborns, thereby preventing disability and death for affected children. \$15,016,000 Genetic Disease Testing Fund

Unserved/Underserved Services for Battered Women's Shelters

\$1,100,000 LA

The Governor's Budget authorizes funding for the Battered Women's Shelter Program (BWSP) to continue services to the Unserved/Underserved (U/U) communities of color, teens and women with disabilities.

\$515,000 General Fund \$350,000 Nine West Settlement Funds \$235,000 Domestic Violence Training and Education Fund

WIC Program Expansion

7.0 Positions (Limited Term [2.0 Two Year; 3.0 One Year]) 6.6 PYs

The Governor's Budget provides for the expansion of the Women, Infants, and Children (WIC) Supplemental Nutrition Branch to satisfy the required federal functions to perform on-site monitoring evaluations, conduct on-site technical assistance in nutrition areas, make system modifications, implement the new requirements of The Child Nutrition and WIC Reauthorization Act (CNWRA) of 2004, and implement the Breastfeeding Peer Counseling Program. Funding for the expansion is included in the current WIC program budget and will be redirected internally.

\$0 Federal Trust Fund



PUBLIC HEALTH LOCAL ASSISTANCE

The changes for the California's Children Services (CCS), Genetically Handicapped Persons Program (GHDP), and Child Health Disability Prevention (CHDP) amount to \$23.8 million total funds (\$9 million General Fund). The details for the proposed 2005-06 changes are as follows:

Program Description	Total Funds	General Fund
California's Children Services (CCS)	\$18.1 million	\$5.4 million
Genetically Handicapped Persons Program (GHPP)	\$8.8 million	\$6.7 million
Child Health Disability Prevention (CHDP)	-\$3.1 million	-\$3.1 million
Total	\$23.8 million	\$9.0 million

The \$18.1 million CCS program increase is attributable to average caseload increases, largely in the Healthy Families Program. The GHPP funding change is to address a projected growth in services. The decrease in CHDP is due to the success of the CHDP Gateway program in enrolling eligibles into more appropriate programs, specifically the Medi-Cal and Healthy Families programs.

ADMINISTRATION

Richmond Lab Campus Phase III Move and Staffing 6.0 Positions

5.7 Pys

-\$1,640,000 SO

The Governor's Budget realizes a net savings as a result of the DHS programs located in the East Bay Area moving from leased facilities into the new Phase III building at the Richmond Lab Campus. Phase III requires staff resources in order to maintain and operate the building. The total monthly lease payments for the East Bay Area is \$3,629,000, whereas the cost of the space in the Phase III building is \$1,989,000.

- -\$820,000 General Fund
- -\$223.000 Federal Trust Fund
- -\$83,000 Reimbursements
- -\$514,000 Other Funds

